

To: Dr. Mike Riggle
Board of Education

From: Dr. R.J. Gravel

Date: Tuesday, October 10, 2017

Re: Jet International 6(b) Request

Recommendation

It is recommended that the Board of Education direct the administration to submit a letter of support that will be submitted as part of the Jet International's Application for the Cook County 6(b) Designation on current and new property.

Background

Cook County has made available a classification to encourage industrial development throughout the county, that provides a real estate tax incentive for the development of industrial facilities and structures. There are three common goals that can be fulfilled by awarding a Class 6(b) designation: attracting new industry, stimulating existing industry, and increasing employment opportunities. Properties provided a Class 6(b) designation become eligible for the following tax incentive:

- Property assessment at 10% of market value for the first 10 years,
- Property assessment at 15% in the 11th year,
- Property assessment at 20% in the 12th year (before returning to the standard 25% rate),
- Assessment is determined from the date that the new construction or substantial rehabilitation is completed and initially assessed or, in the case of abandoned property, from the date of substantial re-occupancy.

Last month, the Village of Northbrook informed Northbrook/Glenview School District 30 and Glenbrook High School District 225 that the a Glenview-based company, Jet International Company L.L.C., is considering the acquisition of a vacant property within the Village. As part of the acquisition proposal, Jet International has requested that a new Class 6(b) designation applied to the property. The details of the facility are as follows:

- Existing Facility (1919 Stanley St., Northbrook, IL)
 - Formerly used by Maurices Sporting Goods
 - 34,000 square feet of building space, constructed in 1959
 - Located on approximately 2 acres of land in an I-1, restricted industrial zoning district
 - Original Class 6(b) designation supported through resolution by the Village of Glenview on March 17, 1998
 - The Class 6(b) designation was renewed by the Village of Glenview on June 19, 2007

Jet International Company L.L.C. is a 40-year old business that supplies aircraft components. They are currently located in Glenview, but their existing 14,303 square feet of building space is no longer

adequate for their business needs. Jet International anticipates investing approximately \$500,000 into building improvements, and will transition its entire operation and work force (26 FTE) to the new facility. They have also shared that they plan to add 4-8 FTE once the transition is completed, and estimate that their workforce will grow to 50 FTE over the next 10 years. Given the economic benefits to the Northbrook community, the Village of Northbrook is in support of providing a new Class 6(b) designation on the proposed facility. The estimated property tax revenue impact, using 2016 rates, is outlined below:

	Rate PSF	Total Space	Total Tax Estimate^	District 225 Tax
With 6(b)	\$0.89*	34,000*	\$30,260	\$8,303
Without 6(b)	\$2.22*		\$75,480	\$20,712

* Based on Applicant-prepared estimates

^ Based on 2016 Tax Rates (27.44% of 2016 Total Taxes)

At this time the Village of Northbrook has requested that the local districts take this proposal under review, and consider providing a letter of support regarding the assignment of Class 6(b) designations. The Village of Northbrook's Board of Trustees will review any letters of support submitted at their October 24, 2017 meeting when they review the resolution in support of the request that will be submitted to Cook County.



Village of Northbrook

DEVELOPMENT & PLANNING SERVICES

TRANSMITTAL

**TO: SCHOOL DISTRICT 225
SCHOOL DISTRICT 30
NORTHBROOK PARK DISTRICT
NORTHBROOK PUBLIC LIBRARY**

FROM: THOMAS POUPARD, DIRECTOR OF DEVELOPMENT & PLANNING SERVICES

The Village of Northbrook has received the attached request from Jet International, LLC of Glenview requesting that the Village adopt a resolution supporting a Cook County 6b Program application for the property commonly known as 1919 Stanley Street, which is located east of Shermer Road north of Techny Road. A general location map is shown below.

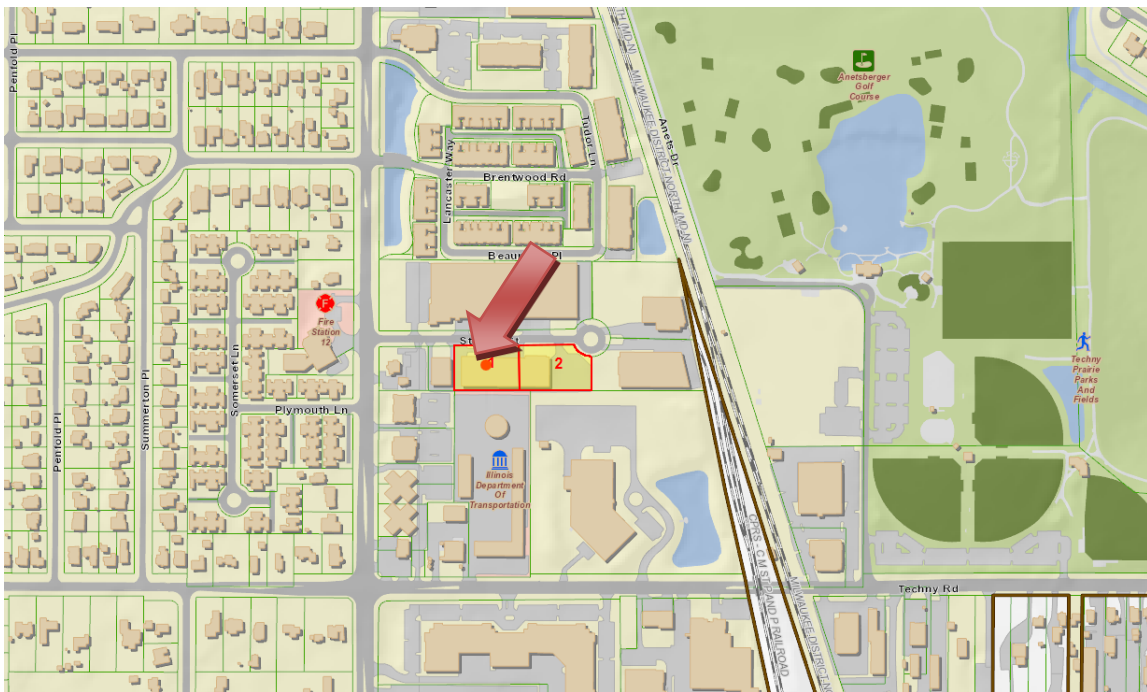


Figure 1: Location – 1919 Stanley Street

In accordance with the Village's general procedures for the review and approval of 6b tax incentives, the local school and park districts are given the opportunity to review and comment on this request. The Village Board of Trustees is tentatively scheduled to vote on this request at its October 24, 2017 meeting.

The applicant will be submitting more detailed information regarding the amount of time the building has been vacant, the proposed improvements to the structure, and how they comply with the 6b criteria in the next two weeks and we will forward that on as soon as it is received. In the meantime, I am sharing their preliminary application, as well as the material we have prepared for our Board of Trustees.

If you wish to have the Village Board review the comments from your taxing district, please forward them to me by October 23, 2017.

If you should have questions of the Village regarding the application, please contact me at tom.poupard@northbrook.il.us. Questions of the Applicant should be directed to:

Zachary A. Kafitz
One N. LaSalle St., Ste. 1920
Chicago, IL 60602
P: (312) 782-8310
E: zkafitz@sarnoffbaccash.com

I would ask that you keep me informed of when your Board is scheduled to consider the request, and if you would like the Applicant to attend the meeting. We look forward to receiving your Board's comments. Thank you.



VILLAGE OF NORTHBROOK MEMORANDUM DEVELOPMENT & PLANNING SERVICES

TO: RICHARD A. NAHRSTADT, VILLAGE MANAGER
FROM: THOMAS POUPARD, DPS DIRECTOR
DATE: SEPTEMBER 12, 2017
SUBJECT: INITIAL BOARD REVIEW – JET INTERNATIONAL COMPANY LLC
COOK COUNTY 6B PROGRAM REQUEST FOR 1919 STANLEY STREET

Introduction

Jet International Company LLC (the “Applicant”) has entered into a real estate contract with OK Real Estate II Inc. (part of Maurice Sporting Goods), the owner of 1919 Stanley Street (the “Subject Property”) to purchase the site. **The Applicant plans to submit an application to Cook County seeking a 6b property tax classification with “special circumstances” (necessary when a building has been vacant for less than 24 months).** A determination of “special circumstances” is required for a 6b property tax incentive whenever a building is vacant for less than 24 months. The Applicant is seeking initial Board comments on the feasibility of obtaining a resolution from the Village supporting and consenting to the Class 6b application. We have attached the application materials submitted by the Applicant, as well as relevant background material assembled by the Village Staff concerning the property and the County 6b program.

Property/Building Description

Key information concerning the property is summarized below:

- The 1919 Stanley Street is used by Maurice Sporting Goods, but as that company has been scaling back their operations in preparation for their move, the building is now used for storage purposes. No employees currently operate out of the building.
- Because the property is now being used for “dead storage” purposes, it is deemed to meet the Cook County criteria as “vacant”. **We are awaiting an affidavit from the current property owner concerning how long the building has been used for storage purposes, but it is believed to be approximately one year.**
- The property has been actively marketed for sale for approximately one year.
- The building is approximately 34,000 square feet in size and was originally constructed in 1959.
- The property is approximately two (2) acres in size and is located in the I-1, Restricted Industrial, zoning district. It is not in the floodplain.
- The Future Land Use Map in the Comprehensive Plan identifies the property and other properties to the north on the east side of Shermer Road as appropriate for Major Corridor Multi-Use (mixed-use).
- The property is located in Elementary School District 30.

Company Overview

- Jet International Company LLC is a 40-year old business that is a supplier of “airframe and engine components for the world's commercial aircraft”. They are currently based in Glenview (1811 Elmdale Ave.) The current space is leased and is 14,303 square feet in size. They state because its business is growing they need to expand their operations as soon as possible.
- Jet International plans to occupy the entire building and use for warehousing and distribution of parts used in the aviation industry.
- The Applicant states that they plan to invest approximately \$500,000 into building improvements.
- Jet International Company LLC plans to move its entire operation to the subject property and bring all 26 (all full-time) of its employees to the same. They also project adding approximately 4 to 8 new employees as soon as possible at the property and plan to grow to 50 total employees in the next 10 years.
- It is not clear if the business would generate any local sales tax, but we have asked for clarification on that point.
- A review of the real estate contract (attached) did not identify any contingency stating that that they must receive Class 6b approval.

The 6B Program

The Cook County Class 6b program reduces the overall property tax bill for industrial and warehouse buildings over the course of 12 years. Under the program, properties are assessed based on the following schedule:

- at 10% of market value for the first 10 years,
- 15% in the 11th year, and
- 20% in the 12th year.
- In year 13, the property is assessed at the normal assessed value of 25% of market value.

Real estate is eligible for Class 6b status if it is used primarily for “industrial purposes” and is either (a) new construction, (b) substantial rehabilitation, or (c) occupation of “abandoned” property.

When approving a 6b tax incentive, the Village has a policy of requiring an agreement that stipulates the Applicant may not apply for an extension of the 6b tax relief program.

An “abandoned” property is defined as “a building and other structures that, after having been vacant and unused for at least 24 continuous months, have been substantially rehabilitated or purchased for value by a purchaser in whom the seller has no direct financial interest.” **If a building has been vacant for less than 24 months, it still may be considered abandoned if the Village Board and County Board both find the special circumstances justify granting the incentive for a building vacant less than two years.**

The Applicant has prepared an exhibit that depicts the projected property tax impact of the Subject Property. The following summarizes the overall impact over the 12-year lifespan of the 6b program:

Estimated Taxes Paid Without The Class 6b Incentive	Estimated Taxes Paid With The Class 6b Incentive	Estimated Taxes if Property Remained Vacant
\$1,292,984	\$605,641	\$424,888

We have attached a series of exhibits that show where other properties are located that have obtained 6b incentives, and how long those properties were vacant. The only property that was not vacant at all when the Village approved a 6b incentive is the current Highland Baking facility on South Shermer Road.

The Applicant requests that the Subject Property qualify under the program both for substantial rehabilitation and occupation of “abandoned” property. Under the occupation of “abandoned” property category, the lower assessment rates would apply to the entire value of the property, thus reducing the Applicant’s property tax obligation by approximately half during the term of the Class 6b schedule.

- As previously noted, the site is not yet vacant since Maurice Sporting Goods continues to use the building for storage.
- In order to receive the Class 6b classification, the Village Board must find that special circumstances justify granting the incentive for a building vacant for less than two years.

In the past, the Village Board has focused on the following factors in **determining if special circumstances exist** in order to grant the incentive.

- Uniqueness of Company.
- Necessary Industry Specific Facility Improvements.
- Investment for the Future.
- Additional Employee Base.

The Board will need to determine if these special circumstances justify granting the Class 6b incentive for this particular request.

Village Procedures for Processing Class 6b Applications

The Village adopted Resolution No. 07-R-48, “Establishing Eligibility Guidelines and Procedures for Review and Approval of Cook County Class 6B Classification Requests”. The guidelines consist of three basic categories:

1. Economic & Fiscal Impacts of the Business on the Community (50% consideration)
2. Conditions of Existing Building/Site and Private Financial Contribution Compared to Public Assistance (30% consideration)
3. Quality of Jobs Created (20% consideration)

In addition, bonus consideration of up to 5% can be awarded due to environmental features of the proposed business. When the Village Board established these eligibility guidelines, they were adopted as general guidelines as a way for the Board to evaluate requests. The “consideration” percentages were provided as a means to weigh the three guidelines categories in terms of their importance to the Village Board.

In addition, attached is a spreadsheet comparing the current request with previous Class 6b requests that past Village boards have considered.

Following a review of the comments made by the Board on this initial request, the Applicant will need to decide if it wishes to file a formal Village 6b application. If they proceed, we will route the application and supporting materials to the impacted school districts (in this case, School Districts 30 and 225) as well as the Northbrook Park District and Library District. A 45-day comment period is allowed prior to the Board taking final action on the resolution of support. The Village's procedures also provide the ICDC and EDC an opportunity to comment on the proposed requests.

Summary

Staff suggests that the Board of Trustees focus on the following questions in reviewing this request:

- 1 Do the specific circumstances justify granting the incentive of this building which has been vacant for approximately one year (***not the two years required normally***)?
- 2 Is the incentive ***necessary to encourage the occupancy*** of the building?
- 3 Does the Applicant's 6b proposal ***satisfy the general Village criteria*** for the approval of a 6b incentive?

The Applicant and staff will be present at the September 12 meeting to answer any questions from the Board.

SARNOFF ♦ BACCASH

P R O P E R T Y T A X L A W

August 30, 2017

Tom Poupard
Village of Northbrook
1225 Cedar Lane
Northbrook, Illinois 60062

**Re: Class 6b Incentive
Jet International Company L.L.C. or an entity to be named
1919 Stanley St., Northbrook, Illinois 60062
PIN: 04-15-102-008/-009**

Dear Tom:

Jet International Company L.L.C. or an entity to be named ("Applicant"), is seeking a Resolution supporting and consenting to a Class 6b Incentive on the above-referenced property based on occupation of an abandoned property that has been vacant for less than 24 continuous months with a purchase for value, special circumstances and substantial rehabilitation. The Applicant plans to purchase the site and rehabilitate the same in order for Jet International Company L.L.C. to occupy for its use consisting of the warehousing and distribution of parts used in the aviation industry.

The subject property consists of an approximately 33,911 square foot industrial building located on a roughly 82,372 square foot site. The subject property will be 100% vacant and unused prior to the purchase and has been underutilized for years. In addition, the property is in need of substantial rehabilitation and improvements for Jet International Company L.L.C. to occupy the same. Therefore, the Applicant plans to invest approximately \$500,000 to rehabilitate the subject property, which will create construction jobs. Based on initial inspections, these improvements will be to update the exterior of the site and building, update the roof, update the bathroom, update the kitchen, apply new paint, install new windows in the warehouse, complete minor structural repairs and update the offices as well as to complete other general maintenance. However, please note that the items in need of rehabilitation as well as the costs associated therewith could significantly vary as they are preliminary and additional reviews of the property as well as additional discussions with contractors must be completed to determine both.

Jet International Company L.L.C. currently leases approximately 14,303 square feet of a property located at 1811 Elmdale Ave. in Glenview and because its business is growing it needs to expand its operations as soon as possible. Therefore, Jet International Company L.L.C. plans to move its entire operation to the subject property and bring all 26 (all full-time) of its employees to the same. Jet International Company L.L.C. plans on adding approximately 4 to 8 new employees as soon as possible at the property and plan to grow to 50 total employees in the next 10 years. We also note that Jet International Company L.L.C. will look to hire all qualified Village of Northbrook residents for future employment.

The Village of Northbrook can also expect that Jet International Company L.L.C. and its employees will invest commercially back into the community by visiting local establishments such as restaurants, gas stations, grocery stores and more. In addition, the Village of Northbrook can expect that Jet International Company L.L.C. will attract business and various customers to the Village in the course of its operations.

Tom Poupard
August 30, 2017
Page Two

As the above indicates, there are various benefits the Village of Northbrook will receive should the Applicant be granted the Class 6b Incentive. The Applicant is excited to move forward with the rehabilitation and occupation of the subject property. Additionally, Jet International Company L.L.C. is excited to expand its operations at the subject property in the Village of Northbrook and be a strong community member for many years to come. However, the above is all contingent on the Applicant receiving a Class 6b Incentive.

Therefore, please review this letter and the following attached materials, and place the Applicant on the agenda for the September 12, 2017 Village of Northbrook Board meeting, where it will present its request for the Village to pass a Resolution supporting and consenting to a Class 6b Incentive on the subject property based on occupation of an abandoned property that will be vacant for less than 24 continuous months with a purchase for value, special circumstances and substantial rehabilitation.

Should you have any questions or concerns, or require additional information, please do not hesitate to contact me at (312) 782-8310.

Sincerely,
SARNOFF & BACCASH


Zachary A. Kafitz

**COOK COUNTY CLASS 6B VILLAGE OF NORTHBROOK APPLICATION:
SUPPLEMENTAL INFORMATION**

Economic & Fiscal Impacts of Business on the Community

1. Provide the North American Industry Classification System (NAICS) code(s) for the business to occupy the subject property. Describe the potential for future growth of the business and of the industry the business is in.

CAGE CODE = 1T054

NAICS CODE: 423860 (formerly 42186)

Business Growth: Please see Number 2 in regard to the potential future growth of Jet International Company L.L.C. ("JI").

Industry Growth: The potential future growth of the U.S. aerospace industry is robust.

Increasing exports in the U.S. aerospace industry is a priority for the U.S. Government, with several agencies supporting a broad portfolio of activities in support of export competitiveness. American aerospace manufacturers produce the highest trade surplus of all manufacturing sectors, account for more American jobs tied to exports than any other industry, and provide high-tech and higher than average wages for the manufacturing sector in general. Therefore, the U.S. aerospace industry, including manufacturers of aircraft parts, plays an important role in the U.S. government's efforts to boost job growth through increased exports.

In addition, the Commercial Aircraft Aftermarket Parts Market is expected to grow at a CAGR of 2% - 6% until 2021. The average price of components in the last decade has increased by about 5% annually, which has considerably increased the value of the market. There is a huge backlog of commercial jets in the aviation market, and the failure of OEMs to deliver parts within time is expected to give the aftermarket suppliers continued opportunity in the market.

Additionally, Boeing forecasts growth in the Aerospace Services Market. Specifically, it projects a 10-year combined aerospace services outlook of a \$2.6 trillion demand in served commercial and government services. In addition, it projects a 20-year total commercial services outlook for growth of up to \$8.5 trillion.

For additional information on the growth of the above industry, please contact the Applicant.

2. If an existing business, provide information regarding the business' current operations, such as locations, size of current facilities, and number of current employees. Also, explain why the business is relocating or expanding to Northbrook.

Jet International Company L.L.C., or an entity to be named ("Applicant"), plans to purchase the property located at 1919 Stanley St. in Northbrook, Illinois (PINs: 04-15-102-008/-009) and rehabilitate the same in order for JI to occupy for its use consisting of the warehousing and distribution of parts used in the aviation industry.

JI currently leases approximately 14,303 square feet of a property located at 1811 Elmdale Ave. in Glenview, Illinois. JI has been at this location since 1983 when it started in only approximately 3,900 square feet. Since then, JI grew into 7,200 square feet in 1995 and then into 10,100 square feet in 2008 and finally into 14,303 square feet in 2017.

JI's business is growing and needs to expand its operations as soon as possible since it is at capacity in its current space. As such, JI has been exploring various options for its future expansion. This search has included looking for a new facility and location as well as the possibility of expanding at its current location as 4,200 square feet of space has recently come available. After careful analysis considering its needs, the market, traffic, its current employees and potential future employees as well as many other factors, JI believes that the subject property would be a great fit.

Although there are significant costs in moving, JI believes that moving to the subject property will allow it to meet its growth goals. Specifically, JI believes that the Village of Northbrook will be a great home given its proximity to O'Hare Airport, I294 and JI's current location as well as the Village of Northbrook's business friendly atmosphere. In addition, the subject property is over double JI's current space, which will accommodate its current and projected growth. Additionally, after completing the necessary significant improvements, the subject property will provide JI the opportunity to operate out of a customized modern facility.

JI plans to move its entire operation to the subject property and bring all 26 (all full-time) of its employees to the same. JI plans on adding approximately 4 to 8 new employees as soon as possible at the property and plans to grow to 50 total employees in the next 10 years. We also note that JI will look to hire all qualified Village of Northbrook residents for future employment.

JI has been in business for nearly 40 years and with new ownership in place it is currently in a growth phase. Neal Mehlman is the president and the majority member of JI and he has been with the company for nearly 20 years. The subject property is approximately double JI's current location in size and JI believes that this is the site where it will hit its growth goals. Since 2013, JI has increased sales from \$20,000,000 to \$28,000,000 and increased its employment count from 18 to 26. JI's goal is to reach \$50,000,000 by 2020, which will likely result in the proposed increase in employment to 50. However, it is only with the Class 6b Incentive that JI believes it will be able to accomplish these goals.

3. Do any Northbrook businesses provide services or supplies to the business that will be locating on the subject property? If so, please list the businesses and describe the services/supplies they would provide?

JI currently uses the Village of Northbrook MB Financial branch as its bank as well as a FEDEX that is located in the Village.

JI works with many local businesses close to its current Glenview location. In moving to the Village of Northbrook, JI will look to work with and utilize businesses located in the Village.

The Village of Northbrook can also expect that JI and its employees will invest commercially back into the community by visiting local establishments such as restaurants, gas stations, grocery stores and more. In addition, the Village of Northbrook can expect that JI will attract business and various customers to the Village in the course of its operations.

4. Does the business that will be locating on the subject property provide services or supplies to Northbrook businesses? If so, please list the businesses and describe the services/supplies that would be provided to them.

JI's customer base is worldwide as it sells commercial/air cargo aircraft equipment. There are no Village of Northbrook businesses JI is currently aware of that it would be able to provide services or supplies to. However, JI is open to meeting with businesses in the Village of Northbrook to work with in the future.

5. Explain by how much the proposed construction of building additions or other significant improvements to the site would increase the assessed value of the property.

The subject property consists of an approximately 33,911 square foot industrial building constructed in 1959 and located on a roughly 82,372 square foot site. The subject property will be 100% vacant and unused prior to the purchase and has been underutilized for some time.

It appears from initial reviews that the subject property is in need of significant improvements as well as in dire need of modernization and cosmetic improvements. JI has had environmental and engineering studies performed on the subject property and it needs significant upgrades to modernize many systems as well as structural repairs. Additionally, as JI is in the aviation industry, it wants to portray the appearance of a modern aviation company. As such, JI has plans to complete significant cosmetic upgrades to the exterior and interior of the subject property.

Therefore, as the subject property is in need of substantial rehabilitation and improvements for JI to occupy the same, the Applicant plans to invest approximately \$500,000 to rehabilitate the subject property. We note that these improvements will create construction jobs. Based on initial inspections, these improvements will be to:

- Install a new façade.
- Update the landscaping.
- Upgrade the driveway and parking lot.
- Replace the roof.
- Replace many of the exterior windows.
- Add a second depressed dock.
- Complete structural repairs.
- Improve the workflow layout in the office.
- Renovate and update the conference rooms.
- Renovate and update the lobby.
- Completely renovate the bathrooms.
- Completely renovate the kitchen.

However, please note that the items in need of rehabilitation as well as the costs associated therewith could significantly vary as they are preliminary and additional reviews of the subject property as well as additional discussions with contractors must be completed to determine both. Attached please find photographs showing the current condition of the subject property.

It is difficult to know specifically by how much the proposed improvements would increase the assessed value of the subject property. However, if all of the approximately \$500,000 in improvements were picked up by the Cook County Assessor's Office, this would result in an increase of \$125,000 in assessed value without a Class 6b Incentive and \$50,000 with a Class 6b Incentive.

6. Will the project require the Village to invest in public infrastructure improvements? If so, what percentage of the costs of those improvements will the business/developer contribute?

No. The Applicant is not aware of any need for the Village of Northbrook to invest in public infrastructure improvements.

7. Will the project generate new local sales tax? If so, how much would be annually generated?

None. Sales of aircraft parts are considered rolling stock and are generally sales tax exempt.

8. Is the business a start-up company or an expansion of an existing Northbrook operation?

JJ is an existing business that plans to move its entire operation from its current Glenview operation.

9. Describe the business' history of contributing to its community through volunteer work, financial contributions or other means. If a new start-up business, please demonstrate the business' commitment to becoming involved in the community.

JJ is community minded and makes both financial contributions to various organizations and participates in programs to help others in need such as school groups, churches and Scouting. JJ is excited to be a strong community member in the Village of Northbrook and plans on meeting with the Village to discuss ways to be involved in the community.

Conditions of Existing Building /Site and Private Financial Contribution Compared to Public Assistance

10. If purchasing the property, provide documentation from the current property owners that they have made a reasonable effort to market the property, including a description of those efforts. Provide a chronological detail of those efforts.

Attached please find a marketing brochure. It is our understanding that the subject property has been on the market since October, 2016.

11. Has the current owner of the subject property filed a vacancy appeal with the County within the last two years? If so, please provide a copy of the appeal and details of how the appeal has affected the assessed value of the property.

See the attached Affidavit attesting to the vacancy and underutilization of the subject property. Although there has been no recent vacancy appeal on the subject property, it has been underutilized for some time, and we believe that the 2017 assessment appeals will include a request for vacancy.

12. Submit a tax impact table showing the projected property taxes that would be paid if the 6b is granted over the life of the 6b and the property taxes that would be paid if the property is reused without the 6b (A suggested format is available in a Microsoft Excel worksheet).

See attached.

13. Submit copies of the property tax bill for the subject property for the past three years.

See attached.

14. Provide an explanation and documentation for why the site in question is difficult to lease or sell due to age, size, condition, or unique characteristics of the building.

The subject property has sat on the market since approximately October, 2016. It is difficult to specify why exactly the subject property has continued to sit on the market. However, there are a number of factors that may have contributed to the subject property not being sold after sitting on the market for almost one year. Specifically, the age and condition of the subject property as the same was built in 1959 and is in need of significant improvements for any occupant. In addition, there are a few characteristics that currently make this property obsolete. Such as low ceiling heights, difficulty of the site to divide into multiple units due to the location of parking at one end of the building, only one depressed loading dock, the need to repair structural elements and the need for major cosmetic improvements to the exterior and interior. Additionally, the real estate taxes likely have had an impact on potential purchasers.

15. If purchasing the property, provide a copy of a certified appraisal of the property or other documentation demonstrating that the property's purchase price is not the reason for needing a Class 6b incentive.

We have attached a copy of the Purchase and Sale Agreement as well as a marketing brochure for the subject property. The Applicant believes that it is paying a market price for the subject property as the same has been listed on the open market for roughly one year.

16. Provide documentation indicating that deferred maintenance issues are not the reasons for needing the 6b incentive.

As noted above, the subject property is in need of significant improvements for any occupant. The Applicant is prepared to spend approximately \$500,000 to improve the site to complete the necessary improvements as well as to cosmetically improve both the exterior and interior of the subject property.

However, the Applicant's ability to complete all of the improvements is based on its ability to secure a Class 6b Incentive on the subject property. Even if the Applicant decides to purchase the property without a Class 6b Incentive, the Applicant does not believe that it will be able to complete all of the proposed improvements and JI does not believe it will be able to succeed and grow as it plans to at the subject property. Specifically, there will be a number of physical improvements the Applicant will not be able to complete, including many of the cosmetic improvements. In addition, JI will likely not be able to hire as many additional employees. As a result, JI will likely not grow as anticipated.

17. Provide details regarding the amount of investment the applicant and the business planning to occupy the subject property plan to invest in the property.

As noted above, the subject property is in need of substantial rehabilitation and improvements for JI to occupy the same. As a result, the Applicant plans to invest approximately \$500,000 to rehabilitate the subject property, which will create construction jobs.

However, please note that the items in need of rehabilitation as well as the costs associated therewith could significantly vary as they are preliminary and additional reviews of the property as well as additional discussions with contractors must be completed to determine both.

18. What is the purchase price of the real property on the subject property? Provide support documentation, such as a copy of the purchase contract.

Attached hereto is a copy of the Purchase and Sale Agreement as well as a marketing brochure for the subject property. Note that we have redacted the purchase price as this is not public information at this time.

19. Submit a narrative and supporting documents indicating the need for the 6b incentive.

The Applicant plans on purchasing the property located at 1919 Stanley St. in Northbrook, Illinois (PINs: 04-15-102-008/-009) and rehabilitate the same in order for JI to occupy for its use consisting of the warehousing and distribution of parts used in the aviation industry.

By purchasing the subject property, rehabilitating the same and JI occupying and using the underutilized site, the Applicant will provide a significant positive impact to the Village of Northbrook.

The approximately 58 year old subject property has been underutilized for some time and is in need of significant repairs for any occupant to use. Additionally, the subject property has sat on the market since October, 2016. It is difficult to specify why exactly the subject property has continued to sit on the market. However, there are a number of factors that may have contributed to the subject property not being sold after sitting on the market for almost one year. Specifically, the age and condition of the subject property as the same was built in 1959 and is in need of significant improvements for any occupant.

In addition, there are a few characteristics that currently make this property obsolete. Such as low ceiling heights, difficulty of the site to divide into multiple units due to the location of parking at one end of the building, only one depressed loading dock, the need to repair structural elements and the need for major cosmetic improvements to the exterior and interior. Additionally, the real estate taxes likely have had an impact on potential purchasers.

Therefore, the Applicant plans to invest approximately \$500,000 to rehabilitate the subject property, which will address a number of the above issues. We note that this rehabilitation will create construction jobs. However, please note that the items in need of rehabilitation as well as the costs associated therewith could significantly vary as they are preliminary and additional reviews of the property as well as additional discussions with contractors must be completed to determine both.

Once the Applicant improves the site and JI occupies the same, the property has the potential to generate a significant property tax for the Village of Northbrook. The attached breakdown reveals the effect of what the taxes would be with a Class 6b Incentive as well as the comparably lower taxes on this property if it sits vacant and without any improvements. By looking at this breakdown, one can see that the overall taxes for this property with a Class 6b Incentive along with the investment to be put in will provide greater real estate taxes for this property than it would if it remained vacant.

If the Applicant does not secure the Class 6b Incentive, it may decide to pass on purchasing the subject property because the Incentive is what will allow the Applicant to complete the proposed improvements and grow as planned at the subject property. If that is the case, the property will likely continue to remain vacant for a long time and on vacancy relief with the Cook County Assessor's Office because of the comparatively high taxes in Cook County. In addition, the Applicant will then look for another location where the property taxes are lower either outside of Cook County or in Cook County at a facility that already has a Class 6b Incentive or can secure a Class 6b Incentive.

However, if the Applicant decides to purchase the property without a Class 6b Incentive, the Applicant does not believe that it will be able to complete all of the proposed improvements and JI does not believe it will be able to succeed and grow as it plans to at the subject property. Specifically, there will be a number of physical improvements the Applicant will not be able to complete, including many of the cosmetic improvements. In addition, JI will likely not be able to hire as many additional employees. As a result, JI will likely not grow as anticipated.

JI currently leases approximately 14,303 square feet of a property located at 1811 Elmdale Ave. in Glenview, Illinois. JI has been at this location since 1983 when it started in only approximately 3,900 square feet. Since then, JI grew into 7,200 square feet in 1995 and then into 10,100 square feet in 2008 and finally into 14,303 square feet in 2017.

JI's business is growing and needs to expand its operations as soon as possible since it is at capacity in its current space. As such, JI has been exploring various options for its future expansion. This search has included looking for a new facility and location as well as the possibility of expanding at its current location as 4,200 square feet of space has recently come available. After careful analysis considering its needs, the market, traffic, its current employees and potential future employees as well as many other factors, JI believes that the subject property would be a great fit.

Although there are significant costs in moving, JI believes that moving to the subject property will allow it to meet its growth goals. Specifically, JI believes that the Village of Northbrook will be a great home given its proximity to O'Hare Airport, I294 and JI's current location as well as the Village of Northbrook's business friendly atmosphere. In addition, the subject property is over double JI's current space, which will accommodate its current and projected growth. Additionally, after completing the necessary significant improvements, the subject property will provide JI the opportunity to operate out of a customized modern facility.

JI plans to move its entire operation to the subject property and bring all 26 (all full-time) of its employees to the same. JI plans on adding approximately 4 to 8 new employees as soon as possible at the property and plans to grow to 50 total employees in the next 10 years. We also note that JI will look to hire all qualified Village of Northbrook residents for future employment. Additionally, JI often employs summer interns and would be interested in developing a work/study program with the local High Schools.

In addition, JI provides high paying jobs with many benefits. Specifically, the average JI wage is over \$70,000 per year and all employees also receive vacation/sick time, 100% employer paid health insurance, 401K with match and other benefits.

Additionally, the Village of Northbrook can expect that JI and its employees will invest commercially back into the community by visiting local establishments such as restaurants, gas stations, grocery stores and more. The Village of Northbrook can also expect that JI will attract business and various customers to the Village in the course of its operations. In addition, JI plans to continue to work with Village of Northbrook businesses and look for new Village businesses to work with in the future.

JI has been in business for nearly 40 years and with new ownership in place it is currently in a growth phase. Neal Mehlman is the president and the majority member of JI and he has been with the company for nearly 20 years. The subject property is approximately double JI's current location in size and JI believes that this is the site where it will hit its growth goals. Since 2013, JI has increased sales from \$20,000,000 to \$28,000,000 and increased its employment count from 18 to 26. JI's goal is to reach \$50,000,000 by 2020, which will likely result in the proposed increase in employment to 50. However, it is only with the Class 6b Incentive that JI believes it will be able to accomplish these goals.

As the above indicates, there are various benefits the Village of Northbrook will receive should the Applicant be granted the Class 6b Incentive so that it may be able to rehabilitate the subject property and JI can occupy the same. Additionally, JI hopes to expand within the Village of Northbrook, and by doing so, the Village will gain an outstanding member of the community that will provide a significant impact to the Village of Northbrook for many years.

20. Provide the projected number of employees that will be located at the Northbrook facility and the average wage for those employees.

JI plans to move its entire operation to the subject property and bring all 26 (all full-time) of its employees to the same. JI plans on adding approximately 4 to 8 new employees as soon as possible at the property and plan to grow to 50 total employees in the next 10 years. We also note that JI will look to hire all qualified Village of Northbrook residents for future employment.

In addition, JI provides high paying jobs with many benefits. Specifically, the average JI wage is over \$70,000 per year and all employees also receive vacation/sick time, 100% employer paid health insurance, 401K with match and other benefits.

21. Provide a break down between full-time, part-time, and seasonal employees at the Northbrook facility.

JI plans to move its entire operation to the subject property and bring all 26 (all full-time) of its employees to the same. JI plans on adding approximately 4 to 8 new employees as soon as possible at the property and plans to grow to 50 total employees in the next 10 years. We also note that JI will look to hire all qualified Village of Northbrook residents for future employment. In addition, JI often employs summer interns and would be interested in developing a work/study program with the local High Schools.

22. Provide a breakdown between current employees, if any, that will transfer from the business' existing facilities and new employees from the local area.

JI expects all 26 of its current employees to relocate to the subject property. JI plans on adding approximately 4 to 8 new employees as soon as possible at the property and plans to grow to 50 total employees in the next 10 years. We also note that JI will look to hire all qualified Village of Northbrook residents for future employment. In addition, JI often employs summer interns and would be interested in developing a work/study program with the local High Schools.

23. Provide the projected total annual payroll for the Northbrook facility.

JI anticipates the payroll to be nearly \$3,000,000 after the initial planned expansion of the company workforce.

Environmental Impact

24. Please describe if the business has implemented any of the following as part of its operations:

a. Comprehensive energy and resource efficiency programs, including green buildings (e.g. LEED certification, binding energy efficiency commitments, etc.)

JI does not have any specific programs. However, as part of its corporate culture JI embraces opportunities to reduce waste, secure savings and provide a gentle environmental impact. Specifically, JI has become mostly paperless, switched to LED lighting and upgraded to an energy efficient HVAC system. JI will look to work with its architects and engineers to find ways to integrate energy and resource efficiencies at the subject property.

b. Comprehensive waste reduction, waste exchange, and recycling programs.

JI does not have any specific programs but tries to reduce waste and recycle as best it can. Please note that as part of its corporate culture JI embraces opportunities to reduce waste, secure savings and provide a gentle environmental impact. Specifically, JI has become mostly paperless, switched to LED lighting and upgraded to an energy efficient HVAC system. JI will look to work with its architects and engineers to find ways to integrate energy and resource efficiencies at the subject property.

25. Please describe if the company has introduced environmentally sound products/services, including but not limited to:

a. Products/services that expand markets for recycled materials.

JI expands markets for recycled materials. Most of JI's products are made from used materials as many of the items JI sells are refurbished and made airworthy, instead of being scrapped.

b. Development of renewable energy resources or products that conserve energy.

The products JI sells help conserve energy because most of its products are made from used materials. Many of the items JI sells are refurbished and made airworthy, instead of being scrapped.

Class 6b General Requirements & Standards

26. Does the proposal satisfy all applicable Cook County criteria for the approval of a Class 6b incentive?

Yes.

27. Does the applicant agree to develop, operate, and maintain the Subject Property in compliance with all codes and ordinances of the Village of Northbrook?

Yes.

28. Does the applicant acknowledge that the Village shall not renew a Class 6b incentive after the initial 12-year Class 6b assessment time period has expired?

Yes.

29. Does the applicant agree to tie the property tax relief from the Class 6b classification to a specific business(es) locating and remaining on the subject property for length of the 12-year Class 6b assessment time period?

Yes.

30. Does the applicant agrees that during the life of the Class 6b schedule, the applicant shall agree not to seek a property tax protest that would result in a property value less than the fair market value set by the Cook County Assessor's Office during the first year of the Class 6b schedule.

Yes, however, the Applicant will need to discuss this specifically with the Village of Northbrook to determine the exact value.

31. The applicant must acknowledge that it must enter into an agreement with the Village setting the terms and conditions for the Village's support and consent to the Class 6b classification.

Yes.

1919 Stanley St., Northbrook, Illinois (PINs: 04-15-102-008/-009)

Year	Estimated Market Value	Estimated Tax Rate	Estimated Multiplier	Estimated Tax Without The Class 6b Incentive	Estimated Taxes/ Square Foot Without The Class 6b Incentive	Estimated Tax With The Class 6b Incentive	Estimated Taxes/ Square Foot With The Class 6b Incentive	Estimated Taxes With 100% Vacancy Relief	Estimated Taxes/ Square Foot With 100% Vacancy Relief	Estimated Building Square Feet
2017	\$1,400,000	7.672%	2.8032	\$75,272	\$2.22	\$30,109	\$0.89	\$24,735	\$0.73	33,911
2018	\$1,400,000	7.672%	2.8032	\$75,272	\$2.22	\$30,109	\$0.89	\$24,735	\$0.73	33,911
2019*	\$1,680,000	7.672%	2.8032	\$90,326	\$2.66	\$36,130	\$1.07	\$29,682	\$0.88	33,911
2020	\$1,680,000	7.672%	2.8032	\$90,326	\$2.66	\$36,130	\$1.07	\$29,682	\$0.88	33,911
2021	\$1,680,000	7.672%	2.8032	\$90,326	\$2.66	\$36,130	\$1.07	\$29,682	\$0.88	33,911
2022*	\$2,016,000	7.672%	2.8032	\$108,391	\$3.20	\$43,356	\$1.28	\$35,618	\$1.05	33,911
2023	\$2,016,000	7.672%	2.8032	\$108,391	\$3.20	\$43,356	\$1.28	\$35,618	\$1.05	33,911
2024	\$2,016,000	7.672%	2.8032	\$108,391	\$3.20	\$43,356	\$1.28	\$35,618	\$1.05	33,911
2025*	\$2,419,200	7.672%	2.8032	\$130,069	\$3.84	\$52,028	\$1.53	\$42,742	\$1.26	33,911
2026	\$2,419,200	7.672%	2.8032	\$130,069	\$3.84	\$52,028	\$1.53	\$42,742	\$1.26	33,911
2027	\$2,419,200	7.672%	2.8032	\$130,069	\$3.84	\$78,042	\$2.30	\$42,742	\$1.26	33,911
2028*	\$2,903,040	7.672%	2.8032	\$156,083	\$4.60	\$124,866	\$3.68	\$51,290	\$1.51	33,911
Totals				\$1,292,984		\$605,641		\$424,888		

*Denotes Reassessment Year.

Assumptions:

1. 2016 tax rate and 2016 multiplier.
2. Market value based on the initial 2017 Cook County Assessor's Office assessment along with \$500,000 of improvements and increasing 20% per reassessment year.
3. Taxes based on 100% vacancy are based on the initial 2017 Cook County Assessor's assessed valuation and with 80% of the building assessment removed, and increasing 20% per reassessment year.

Available 33,911 Square Feet



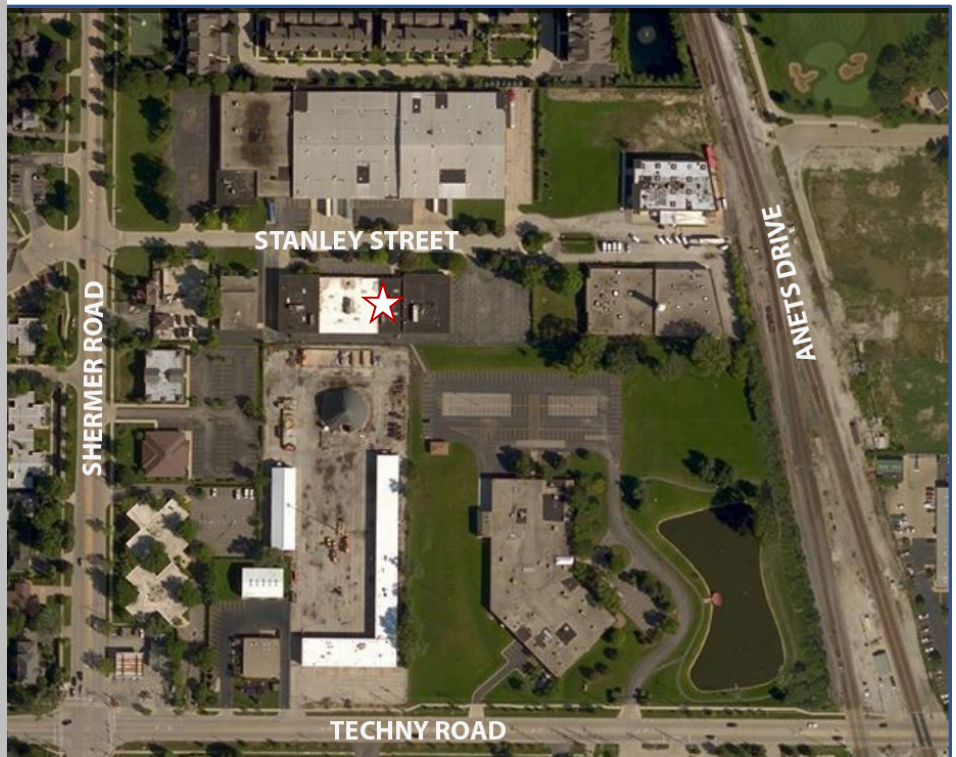
PROPERTY SPECIFICATIONS

- Building Size: 33,911± SF
- Site Size: 2.0 Acres
- Loading: 1 Interior Dock
2 Drive-in Doors
- Ceiling Height: 11'-16' (8,360 @ 16')
- Parking: 80 cars
- Available Office: 7,500 SF
- Power: 1,200A @ 480V
- Lease Rate: \$6.50 psf Gross
- Sale Price: ~~\$1,695,000~~ **\$1,350,000**
- R.E. Taxes: \$52,240.53 (2015)

PROPERTY HIGHLIGHTS

- Well maintained
- 3 miles from I-294 / 4.2 miles from I-94

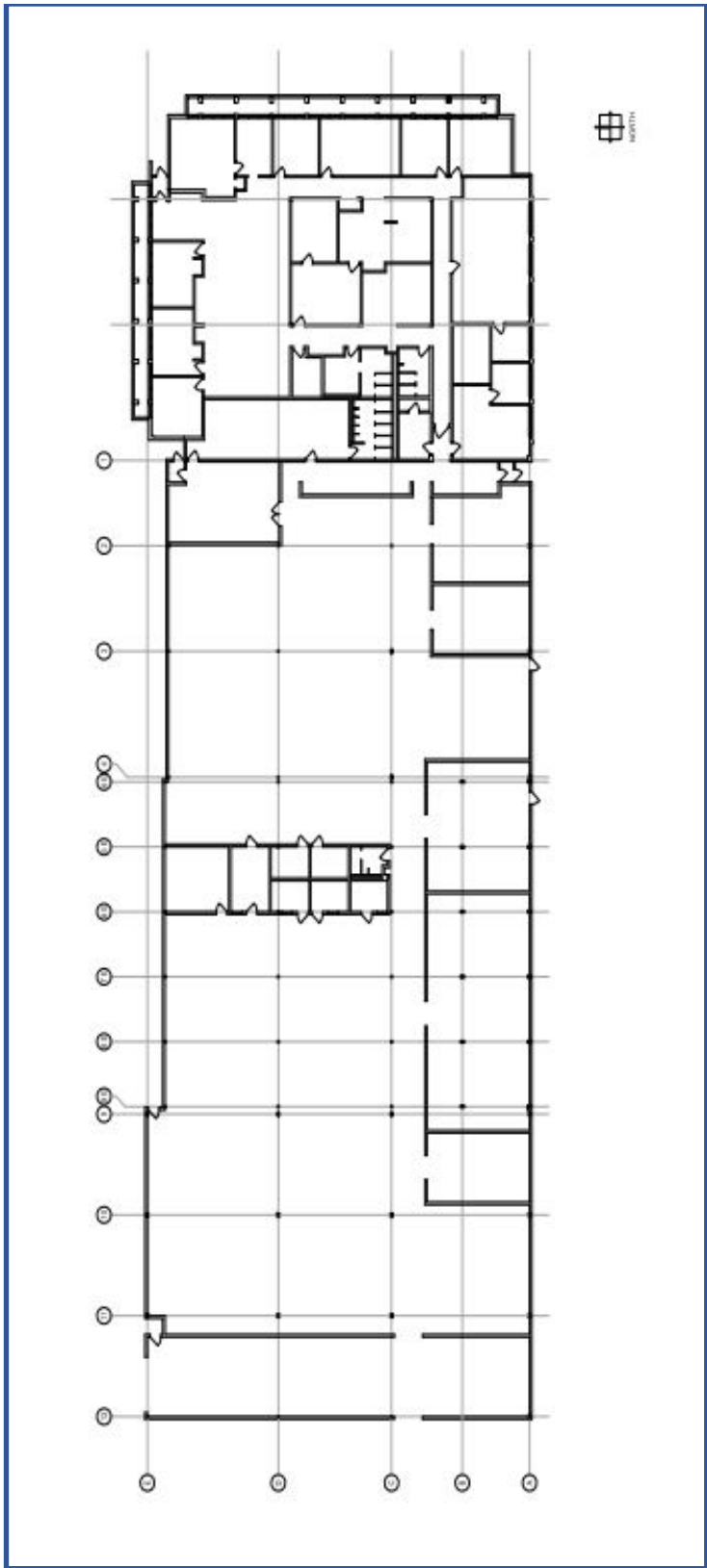
1919 STANLEY STREET NORTHBROOK, ILLINOIS



CONTACT: Joel Friedland, SIOR / (847) 345-5534 / jfriedland@britproperties.com
Adam Schneiderman, SIOR / (847) 826-4467 / adam@straussrealty.com

The information provided herein was obtained from sources believed reliable. However, Brit Properties, LLC makes no guarantee, warranties or representations as to the completeness or accuracy thereof and this information is submitted subject to errors, omissions, change of price or conditions, prior sale or lease, or withdrawal without notice.

1919 Stanley Street, Northbrook

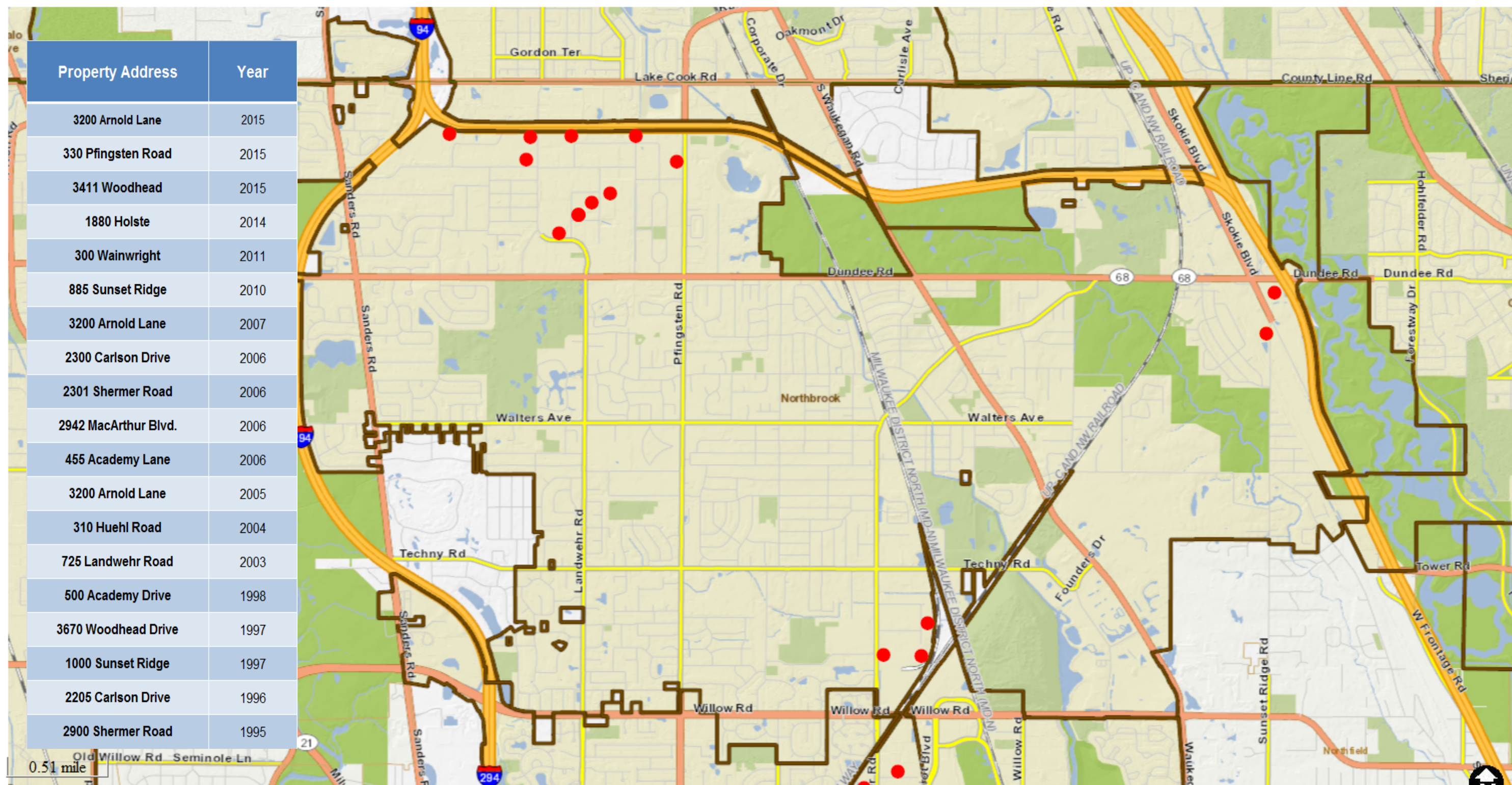


6B Property Tax Incentives Approved

Buildings Vacant Less Than 24 Months Highlighted

Business	Property Address	Year	Request Approved or Denied by Village	Type of Application	Project Status	Length of Vacancy of Building (in months)
Bell Flavors/Fragrances	3200 Arnold Lane	2015	Approved	New Construction	Applicant occupying building	NA
Wiss, Janney, Elstner Associates, Inc.	330 Pfingsten Road	2015	Approved	New Construction	In Process	NA
Atlas Fibre	3411 Woodhead	2015	Approved	Abandoned Property	Applicant occupying building	3+ years with the exception of 6 weeks.
TZAM Diagnostics	1880 Holste	2014	Approved	Abandoned Property	Applicant acquired property - has since left - vacant again.	45
MicroLink Devices	300 Wainwright	2011	Approved <u>only</u> Substantial Rehabilitation	Abandoned Property and Substantial Rehabilitation	Applicant did not occupy building; Building now occupied	<4
Nestle USA (lessee)	885 Sunset Ridge	2010	Approved	Substantial Rehabilitation – Incentive Only on Added Improvements	Incentive transferred to Barilla, who will occupy building.	<10
Granite America/(Bell Flavors)	3200 Arnold Lane	2007	Approved	Abandoned Property and Substantial Rehabilitation	Bell Flavors purchased building in 2011	37+
International Derivatives	2300 Carlson Drive	2006	Approved	Abandoned Property and Substantial Rehabilitation	Applicant occupying building	> 24
Highland Baking	2301 Shermer Road	2006	Approved	Abandoned Property and Substantial Rehabilitation.	Applicant occupying building	0
Genesis Technologies	2942 MacArthur Blvd.	2006	Approved	Abandoned Property and Substantial Rehabilitation.	Applicant occupying building	20
Panek Precision Products	455 Academy Lane	2006	Approved	Abandoned Property and Substantial Rehabilitation	Applicant occupying building	13
Speculative Building - The Misner Group	3200 Arnold Lane	2005	Approved	Abandoned Property	See Granite America	25
Nestle Waters North America	310 Huehl Road	2004	Approved	Substantial Rehabilitation – Incentive Only on Added Improvements	Applicant occupying 31,400 sq.ft. of 71,000 sq.ft. bldg.	> 24
Revell-Mongram	725 Landwehr Road	2003	Approved	Abandoned Property & Substantial Rehabilitation	Applicant vacated building. Building now occupied by Others.	20
Bell Flavors	500 Academy Drive	1998	Approved	Enlarge an Existing Building	Incentive expired. Applicant occupying building	NA
Bernhard Woodwork	3670 Woodhead Drive	1997	Approved	Enlarge an Existing Building	Incentive expired. Applicant occupying building	NA
Gold Realty	1000 Sunset Ridge	1997	Approved	Refurbish an Existing Building. Application denied by County because not all PINS were industrial.	Building demolished - Now Site for Senior Housing	NA
Diversified Metal Products	2205 Carlson Drive	1996	Approved	New Building	Incentive expired 2007 Applicant occupying building	NA - New building
Institutional Foods Packaging	2900 Shermer Road	1995	Approved	New Building	Incentive expired 2006 Building most recently occupied by Tasty Breads	NA - New building

Properties Granted 6b Tax Incentive



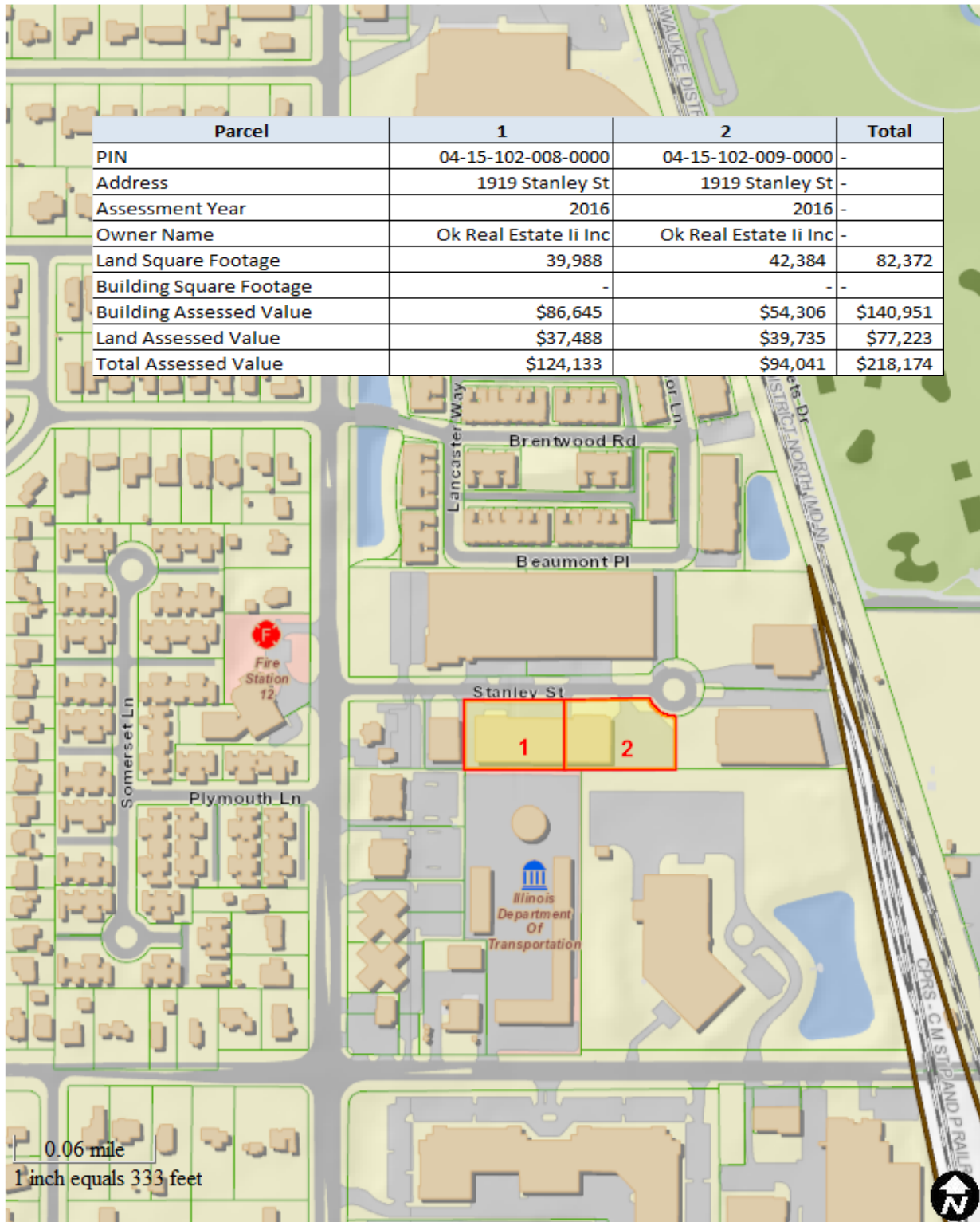
1 inch equals 2,667 feet

© 2017 GIS Consortium and MGP Inc. All Rights Reserved.

The GIS Consortium and MGP Inc. are not liable for any use, misuse, modification or disclosure of any map provided under applicable law.

Disclaimer: This map is for general information purposes only. Although the information is believed to be generally accurate, errors may exist and the user should independently confirm for accuracy. The map does not constitute a regulatory determination and is not a base for engineering design. A Registered Land Surveyor should be consulted to determine precise location boundaries on the ground.

1919 Stanley Street - Location



Map created on September 6, 2017.

© 2017 GIS Consortium and MGP Inc. All Rights Reserved.

The GIS Consortium and MGP Inc. are not liable for any use, misuse, modification or disclosure of any map provided under applicable law.

Disclaimer: This map is for general information purposes only. Although the information is believed to be generally accurate, errors may exist and the user should independently confirm for accuracy. The map does not constitute a regulatory determination and is not a base for engineering design. A Registered Land Surveyor should be consulted to determine precise location boundaries on the ground.



Map created on September 6, 2017.

© 2017 [GIS Consortium](#) and [MGP Inc.](#) All Rights Reserved.

The GIS Consortium and MGP Inc. are not liable for any use, misuse, modification or disclosure of any map provided under applicable law.

Disclaimer: This map is for general information purposes only. Although the information is believed to be generally accurate, errors may exist and the user should independently confirm for accuracy. The map does not constitute a regulatory determination and is not a base for engineering design. A Registered Land Surveyor should be consulted to determine precise location boundaries on the ground.